



## 8/004 Community Leasing

### Objective

The Town of Port Hedland is committed to meeting the current and emerging need of the Community seeking the long term use of Council owned or controlled properties and land.

The objectives of this policy is to:

- Establish a framework of reference to ensure there is an equitable and consistent approach in providing lease/ licensing arrangements for community and sporting groups.
- Establish lease and licence fees and access granted to Council property is in accordance with community needs and expectations.
- Ensure organisations value, protect and preserve the community assets for the ongoing benefit of the community.
- Ensure fair and consistent leasing and licensing conditions are provided to organisations.

This policy does not apply to the occasional use or hiring of the Town of Port Hedland's facilities or sporting grounds.

### Types of Tenure

The Town will use two types of agreements under this Policy, being a Lease or a License. These will be assigned based on the community need and the facility accessibility requirements by the general public.

#### *Leases – Exclusive Use of Building/s or Facilities*

Where the exclusive use of a building or facility supports the Council's Plan and/or Master Plans and addresses the priority needs of the community as determined through a Council plan or strategy.

A lease provides the lessee with exclusive use of a defined areas for a specified purpose and term. Leased areas will generally be defined by building footprints, but will include access ramps, stair cases and gardens which bound the buildings/s

Lease areas will also include dedicated non-turf activity space (eg Tennis/netball courts/BMX tracks) where those areas are to be exclusively used by the organisations'.

The Town will transition to standard lease terms as leases are renewed.

In all cases, Council reserves the right to determine how a lease and the



appropriate lease area is characterized but will take into considerations the future development plans of the Town and the Lessee.

#### *License– Shared Use*

Where the shared use of a building or facility supports the Council's Plan and/or Master Plans and addresses the priority needs of the community as determined through a Council plan or strategy.

A license provides the occupant with nonexclusive use of a defined license area for a specified purpose and term. License or permit areas will generally be defined by building footprints and surrounds where the Town determines that exclusive use is not required, or where a facility or space within a facility is shared between two or more organisations.

### Content

#### *Terms of Lease*

Lease terms will be in accordance with the Management Order held over the Reserve and no more than 21 years.

All leases will have a common expiry date of 30 June in each year.

Incoming leases will not pay less than the current year rental (a full annual lease fee will be applied regardless of lease commencement date).

The fee for Community leases would be set each year by the Council as part of the annual budget process.

Commercial leases will be negotiated on a case by case basis in line with the nature of the activity being undertaken.

All leases will have a maintenance schedule attached which sets out the responsibility for the maintenance of the facility/asset between the Town and the lessee. The schedule will be individualized for each lease.

#### *Approval Process*

All leases require Ministerial approval prior to final execution.

#### *Process enquiries and application for Lease*

All enquiries for the lease of land under council's control for all uses including but not limited to; sporting, community, educational, and commercial organisations shall be referred to Property Management Coordinator for consideration against the management order held over that Reserve.



Maximum utilisation of Council Property is promoted with consideration given to community demand and capacity of facilities to cater for use.

'Community Group' use of Council Property is given priority over other uses particularly where:

- Local community groups do not have ready access to any other types of facilities in which to conduct their activities;
- A Council strategic objective/s is achieved by supporting such use; or
- There is a clear social benefit to be achieved by the use/activity, including access for multi-cultural groups, aged people, family groups and other population groups.

'Community Agency' use is granted to organisations and groups who can demonstrate:

- Clear relevance with Council's strategic objectives as expressed through Council plans, strategies or policies; or
- A clear social benefit for the community and in particular demographic groups identified as being in need.

'Commercial' use is granted on a lower priority basis in relation to community groups and agencies to ensure utilization of a facility and where:

- There is a demonstrated benefit to the community from the commercial activity that is being conducted;
- The use complements other uses of a facility at a time when the facility would otherwise be vacant;
- Building business sector partnerships has a benefit to the facility in potential sponsorship and increased revenue; or
- Commercial use does not displace community group or agency use.

#### *Area of Lease*

Lease boundaries will be based on the area granted exclusively to a Lessee, not limited to the footprint of the building on the parcel.

#### *Keys*

The Town will be provided with a complete set of keys for the premises.

Town staff requiring access will provide 48 hours written notice for right of entry, except in the case of emergency works being required. The Town will provide the Lessee with information pertaining to the late nature of entry and of any works that are undertaken.

#### *Rates and Charges*

Any lease granted under the conditions of this policy will incur an annual leasing

fee as per the approved schedule of fees and charges, which are determined by Council.

Lessees will be responsible for the payment of rates and charges against the lease based on both general and specific terms as set out in the lease documentation.

The net community benefit of any organisation seeking to lease Town of Port Hedland asset will be measured in order to consider any financial subsidies, grants or discounts that Council offers in respect of that use.

A standard terms document will be used for all leases in an endeavour to ensure transparency and equity for all groups.

#### *Maintenance of Lease Premises*

The Town will be responsible for the structural integrity of the premises for the term of the lease.

The Lessee shall, at the Lessee's cost, maintain all premises to Town asset maintenance standards as set out in the schedule to the lease. Damage that is not assessed as being fair wear and tear will be rectified at the expense of the lessee.

#### *Annual Inspections*

The Town will complete an annual inspection of the facility that will include:

- Internal check
- Plumbing
- Electrical
- Landscape
- External check

#### *Ownership of Improvements*

All fixed improvements constructed or installed upon the leased premises within the leased area will vest to the Town upon the time they are constructed or installed. The removal of any fixed improvements by a Lessee at the expiry or sooner determination of the lease will be subject to the consent of the Town being obtained prior to any removal occurring.

#### *Insurances to be effected*

Lessees will be responsible for the procuring, at their own cost, such insurances as are required by the Town in respect of their occupation and use of the leased premises and in accordance with the specific conditions of any lease issued.

The Town will be responsible for insuring the fabric of the premises. This cost will



be invoiced to the lease holder. In the event of a shared use facility an assessment will be made on the costs to be borne by the individual groups based on usage of the premises.

All lessees are responsible for securing their own Public Liability Insurance up to the amount as agreed by the Town and according to Council's risk management appetite..

### *Reporting*

Lessees will be required to supply relevant documentation as per lease terms which may include but not be limited to:

- Annual General Meeting minutes
- Audited annual financial statements and reports
- A list of office bearers and contact details; Annual Certificate of Currency
- Incorporated Association Extract

### *Termination*

The Town reserves the right to terminate the lease or license prior to the expiry of the term if the land is required for the Council's infrastructure planning or construction requirements. In the event of an agreement being terminated for this reason, the Town will provide appropriate notification to the organisation and if possible, will make reasonable attempts to relocate the tenant to a suitable alternative facility.

### *Compliance with Tenure Agreements*

By entering into a tenure agreement over Council owned or controlled land, Organisations accept and agree to all conditions of the lease or license. Organisations acknowledge that access to community land is offered to enhance the physical activity, social interaction and cultural development of the community. Accordingly, lessees and occupants must not conduct, nor permit to occur, any illegal, immoral or offensive acts on Council owned or controlled land.

Failure to comply with the conditions of the lease, licence or permit to occupy may result in Council terminating or not offering renewal of the tenure arrangement. All existing agreements will be transitioned in accordance with review mechanisms within the Lease or by application.

### *Definitions*

“Asset” are the future economic benefits controlled by the Town of Port Hedland as a result of a past transaction or event whereby;

- Its value can be measured reliably;
- Its value must exceed a stated materiality threshold being \$5,000 or form part of a network asset group; and



- It must be probable that future economic benefits of the asset will eventuate (i.e the asset acquired supports the delivery of Council services to the community in line with Councils

“Lease” is a written contract by which an owner (the lessor) of a specific asset grants a second party (the lessee) the right to its exclusive possession and use for a specific period and under specified conditions, in return for specified periodic rental or lease payments.

“Maintenance Costs” are the costs associated with regular ongoing day to day work necessary to keep an asset operating in order to achieve its optimum life expectancy as set out in the schedule

“Net Community Benefit” is a measure of the level of community benefit offered to the citizens, residents, ratepayers, groups or organisations of the town by a group, organisation or individual.

Relevant legislation	<i>Local Government Act 1995</i> <i>Land Administration Act 1997</i> <i>Interpretations Act 1984</i> National Competition Policy
Delegated authority	-
Business unit	Property Management
Directorate	Infrastructure Services

<i>Governance to complete this section</i>			
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